

5.5. CONTRACT WO5040-02 - DONOVAN RANGE PAVEMENT UPGRADE

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DEPARTMENT	Project Office

RECOMMENDATION

That Council:

1. Resolves to award Contract WO5040-02 – Donovan Range Pavement Upgrade to Geo Construct Pty Ltd (ABN 42 640 635 445) for \$2,617,323.85 (GST exclusive).
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

EXECUTIVE SUMMARY

Douglas Shire Council requires a contractor to construct a new concrete roadway upgrade at Donovan Range, located on the Cape Tribulation-Bloomfield Road. Sections of Donovan's Range are susceptible to damage during the wet season and requires continual maintenance.

Douglas Shire Council has received funding under the 2019 Betterment Grant - Category D, provision of Disaster Recovery Funding Arrangements. The project budget is \$3,910,918.00 (exclusive of GST) with a contribution of \$3,738,257.00 (exclusive of GST) provided by the Queensland and Australian Governments.

The existing unsealed road is steep, slippery and subject to regular loss of pavement materials.

It is situated in the Wet Tropics and located close to the Great Barrier Reef. The scope of works will include, minor earthworks, improvements to stormwater drainage and construction of a rigid concrete pavement to improve the road surface.

Significant environmental improvements will also be gained by sealing the road. A concrete pavement is the most appropriate solution due to its durability, the steepness of the site and low maintenance needs.

Council issued an open tender invitation through Vendor Panel for the WO5040-02 Donovan Range Pavement Upgrade, which closed on 23 December 2020.

At the time of the tender close, seven contractors submitted seven submissions. The submissions received are outlined in Table 1 - Received Submissions Summary below.

Table 1. Received Submissions Summary

Tenderer	Price	Offer	Status	Located
Geo Construct Pty Ltd	\$2,617,323.85	Comparative	Conforming	Cairns QLD
G & M Civil Contracting Pty Ltd	\$2,795,918.19	Comparative	Conforming	Cooktown QLD
Gulf Civil Pty Ltd	\$5,601,411.33	Comparative	Conforming	Burketown QLD
HEH Civil Pty Ltd	\$3,508,932.45	Comparative	Conforming	Cairns QLD
MC Group QLD Pty Ltd	\$2,213,681.31	Comparative	Conforming	Mossman QLD
NCP Contracting Pty Ltd	\$3,570,626.30	Comparative	Conforming	Cairns QLD
Spencer Civil Pty Ltd	\$3,822,841.97	Comparative	Conforming	Cairns QLD

All submissions were assessed by the evaluation committee. This evaluation process was weighted with 40% price criteria and 60% weighting for the non-price criteria.

Based on the results of the evaluation, Geo Construct Pty Ltd is the recommended tenderer for the contract. Geo Construct Pty Ltd provided a comprehensive submission in terms identifying the methodology, program, capacity and experience to take on the scope.

The offer from Geo Construct Pty Ltd was the second cheapest from the competing submissions. They had the best business profile score which includes locality of tenderer, knowledge of the region, opportunities for traineeships, indigenous and disability groups and a commitment to utilise local suppliers to the value of 70% of the contract or approximately \$1.9M+GST

BACKGROUND

Douglas Shire Council requires a contractor to construct a new concrete roadway upgrade at Donovan Range, located on the Cape Tribulation-Bloomfield Road. Sections of Donovan's Range are susceptible to damage during the wet season and requires continual maintenance.

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Council issued an open tender invitation through Vendor Panel for the WO5040-02 Donovan Range Pavement Upgrade, which closed on 23 December 2020.

Table 2 indicates the submissions received.

Table 2. Received Submissions Summary

Tenderer	Located
Geo Construct Pty Ltd.	Cairns QLD
G & M Civil Contracting Pty Ltd.	Cooktown QLD
Gulf Civil Pty Ltd.	Burketown QLD
HEH Civil Pty Ltd.	Cairns QLD
MC Group QLD Pty Ltd.	Mossman QLD
NCP Contracting Pty Ltd.	Cairns QLD
Spencer Civil Pty Ltd.	Cairns QLD

COMMENT

Evaluation of the received submissions was conducted by:

Table 3. Evaluation Panel Members

Position	Department
Project Manager	Project Office
Project Manager	Project Office
Coordinator - Civil	Infrastructure

An initial compliance check was conducted on received submissions to determine non-conforming and alternative offers from the requirements of the Request for Tender (RFT). This included compliance with the contractual requirements and provision of requested information. A summary of the check is shown in Table 4.

Table 4. Tender Submission Conformance

Tenderer	Price	Offer	Status
Geo Construct Pty Ltd.	\$2,617,323.85	Comparative	Conforming
G & M Civil Contracting Pty Ltd.	\$2,795,918.19	Comparative	Conforming
Gulf Civil Pty Ltd.	\$5,601,411.33	Comparative	Conforming
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Spencer Civil Pty Ltd.	\$3,822,841.97	Comparative	Conforming

All submissions were accepted by the evaluation panel for assessment on the basis that all terms, conditions and mandatory requirements of the RFT had been substantively met.

During the evaluation process, submissions were assessed against the evaluation criteria detailed in the RFT documentation. Specific criteria were weighted according to their importance in delivering the project successfully and providing the best overall value for money solution in accordance with Council's procurement policies.

The weighting attributed to each criterion was:

Table 5. Evaluation Criteria

Criteria	Weighting
Technical Capacity of Tenderer	15%
Business Profile (Local, Social and Sustainability)	20%
Program of Works	10%
Works Procedures and Methodology	15%
Price	40%

The responses were received within the requested timeframes and were considered by the evaluation panel in their assessment. Each Tenderers score and rankings are shown in Table 6.

Table 6. Tenderer's Ranking and Scoring

Tenderer	Weighted Score					Total Score	Ranking
	Price	Technical Capacity	Business Profile	Program	Methodology		
GEO Construct	36.6	13.0	17.7	7.5	12.5	87.3	1
2	28.4	12.0	17.0	9.5	12.5	79.4	2
3	35.0	10.3	15.0	6.8	10.0	77.1	3
4	40.0	9.0	17.3	2.3	7.5	76.1	4
5	28.9	12.3	14.0	2.7	9.0	66.9	5
6	26.3	8.3	14.7	6.7	9.0	65.0	6
7	11.1	15.0	13.3	9.8	15.0	64.2	7

The green shading in the above table indicates the highest score for the criteria and the red shading indicates the lowest score for the criteria.

Based on the results of the evaluation, Geo Construct Pty Ltd is the recommended tenderer for the contract. Geo Construct Pty Ltd provided a comprehensive submission in terms identifying the methodology, program, capacity and experience to take on the scope.

The offer from Geo Construct Pty Ltd was the second cheapest from the competing submissions.

They had the best business profile score which includes locality of tenderer, knowledge of the region, opportunities for traineeships, indigenous and disability groups and a commitment to utilise local suppliers to the value of 70% of the contract or approximately \$1.9M+GST.

PROPOSAL

It is proposed that Council adopts to accept the evaluation panels award recommendations.

That Council:

1. Resolves to award Contract Number WO5040-02 – Donovan Range Pavement Upgrade to Geo Construct Pty Ltd (ABN 42 640 635 445) for \$2,617,323.85 (GST exclusive).
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

FINANCIAL/RESOURCE IMPLICATIONS

Council has allocated the following amounts in the capital budget 20/21.

Table 7. Budget and Expenditure

Financial Year Budget 19/20	Amount (excl. GST)
Project Budget	\$3,910,918
Expended to Date (as at 8/01/2021)	\$120,607.96
Budget Available	\$3,790,310.04
Recommended Tender Price (RTP)	\$2,617,323.85
Project Management (estimate)	\$55,200.00
Administration Costs (estimate)	\$15,180.00
Additional Design Support Costs (3% of RTP)	\$78,519.72
Potential Variations (5% of RTP)	\$130,866.19
Contingency (10% of RTP)	\$261,732.38
Total Project Costs Estimated	\$3,158,822.14
Net Position (Surplus)	\$631,487.90

It is noted that as the majority of the budget is externally funded and there is no opportunity to reallocate the funding, however there are further similar projects funded by the same body, that are expected to have shortfalls and the surplus can be relocated to these projects.

RISK MANAGEMENT IMPLICATIONS

The selection of Geo Construct Pty Ltd provides some reduced risk.

- Utilising a Cairns based contractor who will be utilising subcontractors from the Douglas shire area.
- Experienced contractor who is familiar with Douglas Shire Council requirements and the applicable legislative requirements, such as Wet Tropics Management Authority.
- Understanding of communication management, to mitigate risk with public concern should they arise.
- Understanding the weather environment and the uncertain whether periods with potential natural disaster impacts.

SUSTAINABILITY IMPLICATIONS

- Economic:** Local suppliers, cafes and at times hotel accommodation will be utilised during construction. Tourists and 4x4 adventurers will have improved access to these sites once the project is completed.
- Environmental:** The project is located in the Wet Tropics and close to the Great Barrier Reef. Sealing of the road will reduce dust and sediment runoff to the surrounding sensitive sites.
- Social:** The betterment grant will provide improved access to Degarra and Wujal Wujal residents to Mossman.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector.

Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 3 - Leading Environmental Stewardship

Our visitors and residents deeply value the unparalleled environment in which we live. We recognise our responsibility in protecting and preserving our natural world for generations to come. We understand the strong link between the environment and the economy: they are interdependent.

Douglas Shire will be at the forefront of environmental protection by developing strategies, setting policies, and working with all stakeholders to become the envy of and to inspire locations across Australia and the World.

Goal 1 - We will protect our sensitive environment and plan for the impact of climate change.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Consultation has occurred with Officers across all required departments during the preparation of the tender

External: Tenders were received through public advertising of the project.

COMMUNITY ENGAGEMENT

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ATTACHMENTS

Nil